

MBOH 101

Fall, 2008
Jeannene Maas
Montana Board of Housing
PO Box 200528
Helena, MT 59620
www.housing.mt.gov

MBOH monthly training

- Who we are/what we offer
- Eligible Borrowers and properties
- How and where to get questions answered

Agenda

- Current Events
- Programs, eligibility & Processing
- Website locations

How it works - - -

- Privately funded state agency
- Sells Bonds
- Buys Loans from local lenders



Benefits - - -

- Low rate = more buying power
- Low fees = less \$\$ at closing
- Partnerships bridge gaps



Homeownership programs

- Regular Bond (MRB)
 - Whole Loans
 - MBS Program
- Setaside Program
 - Whole loans only
- MCC Program

Federal guidelines

- Purchase price and income limits
- First-time home buyer rule
- Owner-occupancy requirement
- Business use limits
- Potential recapture tax
- New loan requirement

Guide:
Sec. 2.05

Calculating income

- All adults in household
- Wages, bonus & overtime
- Child support
- Business/investment use

**Income
Determination
Guide
"Help Docs"**

First-time home buyer

- Three-year rule
- Signed tax returns

EXCEPTIONS

- ❖ Targeted area
- ❖ Manufactured homes
- ❖ Qualified veterans

Guide:
Sec. 2.05

Owner-occupancy

- Life of loan

TEMPORARY waivers

⌚ 6 month waiver

Guide:
Sec. 2.05;
Uniform Rider

Eligible Properties – Whole Loans

- Single family home
- Condominium (meeting Oct 22, 2007 guideline)
- Townhouse
- Manufactured home/land

Terms & Conditions
DOCS page

Eligible Properties – MBS loans

- Single family home
- Condominium – Must meet Fannie Mae guidelines
- Townhouse

Terms & Conditions

DOCS page

Manufactured homes

RD is eligible

Genworth & Deep Equity, NOT eligible

Ineligible Properties

- Duplex, Triplex, Quad
- Apartments (basement, attic, garage, etc)
- Excess property
- Business use in excess of 15%

Recapture Tax

- Sell within nine years
- **LARGE** net gain on sale of home
- **HUGE** increase in income

******NOTE******

Refinancing does NOT cancel recapture tax

MBOH no longer provides reimbursement

Current program terms

WHOLE LOANS

- FHA VA (some RD)
- 6.25% fixed rate, 30-year loan
- lender fees paid by MBOH – based on loan guarantee
- Rate reduction potential to 6.125%

LOANS SOLD TO MBOH

MBS loans

- PMI (Genworth)
- Deep Equity
- RD (for those not currently servicing or opt not to continue servicing)
- ☼ Current rate: 6.25% with NO OPTION for reduction
- ☼ Reserve with and submit compliance package to MBOH
- ☼ Home buyer education is REQUIRED
- ☼ Sell loan to USBank Home Mortgage
- ☼ Serviced by US Bank or Streeter Brothers

Setaside loans “special programs”

- FHA
- VA
- RD

**Setaside loans are
WHOLE LOANS**

- Current rate = 5.5%
- MBOH pays points = 1.5%
- Home buyer education REQUIRED
- Sponsorship by partner is REQUIRED (down payment assistance)

*****Reserve and sell to MBOH *****

Montana HomeOwnership Network



509 1st Avenue South
Great Falls, MT 59401
(406) 761-5861 Fax (406) 761-5852
1-866-587-2244



Schedule

For a schedule of homebuyer education classes, click on the calendar month. Click on the city location on the date to find location and time details. If you can't find a location near you, contact Montana HomeOwnership Network at 1-866-587-2244 or send us an [e-mail](#).

[April](#)

[May](#)

[June](#)



[MHN Home Page](#) | [About MHN](#) | [Buying a Home](#) | [Keeping Your Home](#)

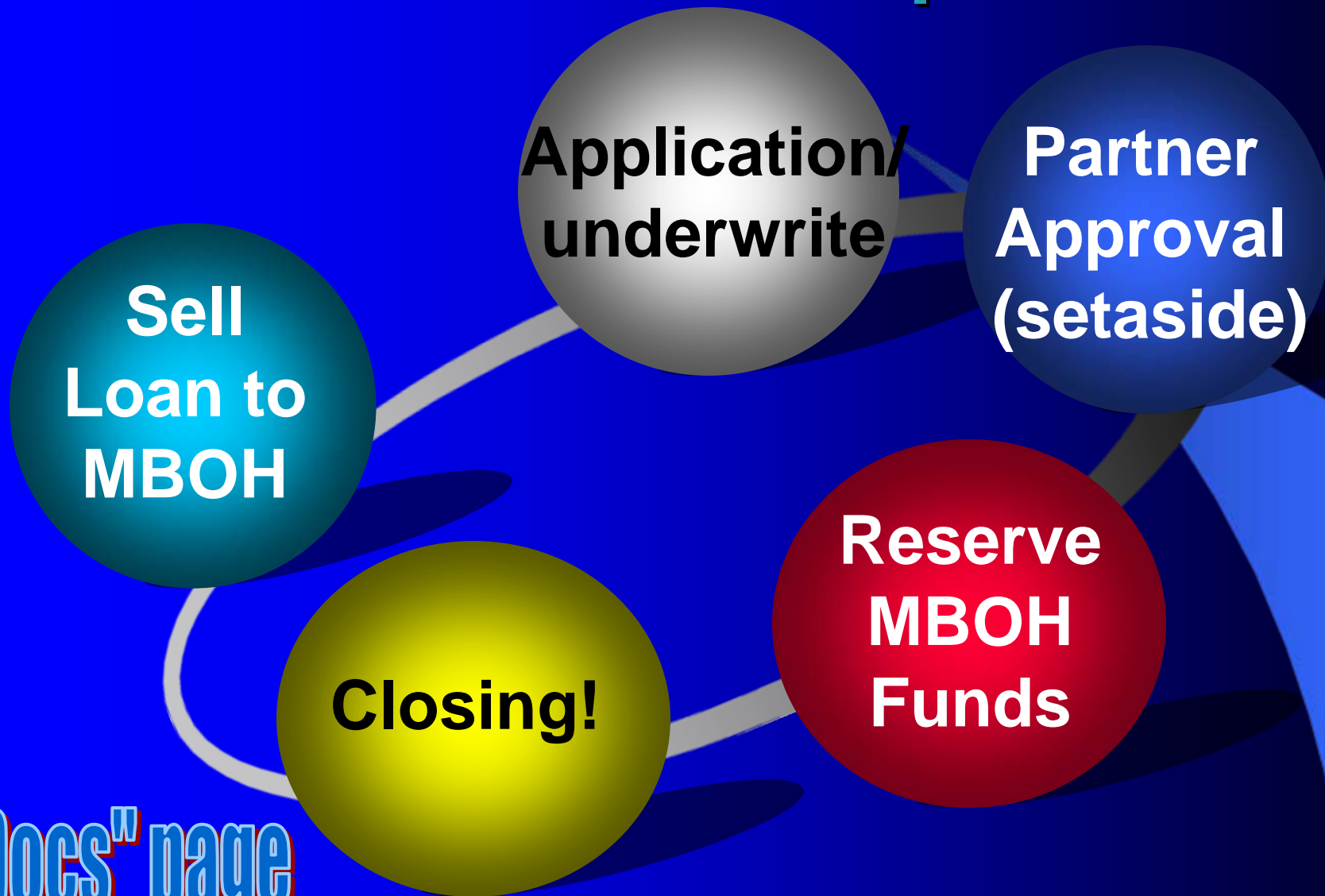
[MHN Partners](#) | [Lender Information](#) | [Housing Development](#) | [Contact Us](#)



MBOH guidelines

- \$1,000 all-peril deductible hazard
- \$1,000 deductible life-of-loan flood
- New homes have 35% rule

Whole loan process:



"Docs" page

MBS loan process:



"Docs" page

Program Documents

**Buyer's
Affidavit**

**Seller's
Affidavit**

**Uniform
Rider**

"Doc"

page

Docs page

More Documents

**Recapture
Notices**

**Personal
Property
Statement**

**Release
Financial
Information**

"Doc"
page

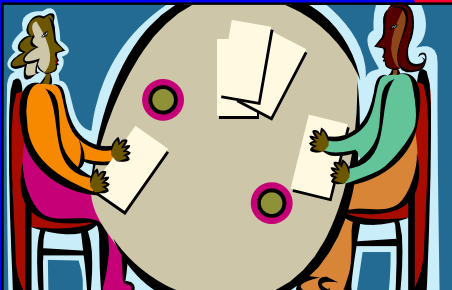
http://housing.mt.gov/Hous_BOH_SF_Apps.asp

Closing glitches Whole Loans

**Hazard – MUST name MBOH
c/o Servicer @ their address**

HUD-1 – NO CASH BACK

Title Policy – no short form



Docs not signed/notarized

Submission glitches Whole Loans

45 days to submit (suggest 30)

MERS – MUST name MBOH

Assignment – Courthouse Certified

LOL Submission

Details on "DOC"

page

D/T recorded copy

Tracking files “in process”

**Lender
On
Line**

**Status
Reports**

**Missing
Doc
Reports**

Mortgage Credit Certificates

Three benefits
For Homebuyers

"MCC" page



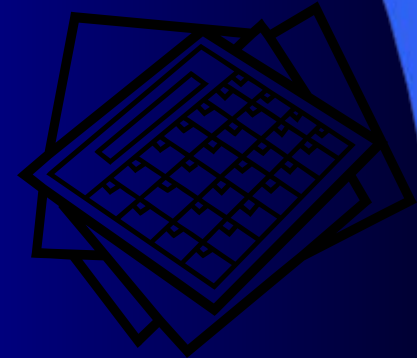
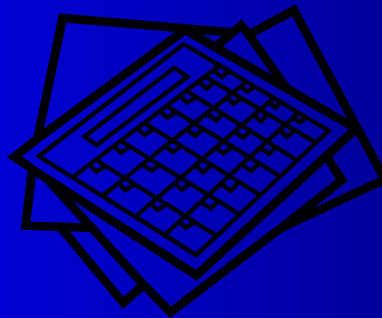
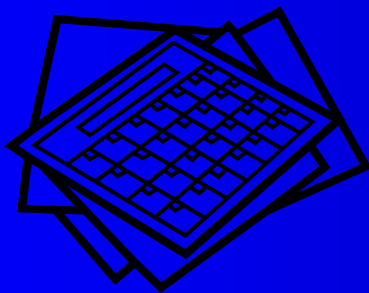
Benefits

1. 20% of mortgage interest paid each year converts to a dollar-for-dollar Federal income tax credit
2. Increase take-home pay
3. Valid for life of loan, if owner-occupied

****All for a one-time \$400 fee****

Example

- ❖ **\$100,000 at 6% = \$6,000 interest first year
(20% = \$1,200)**
- ❖ **Amend W-4 = increase take-home pay
\$100/mo**
- ❖ **Valid for life of loan**
- ❖ **Any loan type, any term (except MBOH)**
- ❖ **Unused credit carry-forward up to 3 years**



Qualify for more home

(6% - 30 year fixed rate loan)

Loan amount	P&I	1 st year interest	MCC amount @ 20%	Monthly benefit	Additional qualifying @ 29%	Additional loan @100% (FNMA)
\$100,000	\$599.55	\$6,000	\$1,200	\$100	\$4,800	\$16,600

What the lender does . . .

- Reserve a loan with MBOH
 - Lender on line OR by Fax
- Close loan (using MCC docs)
- Submit package to MBOH for certificate

http://housing.mt.gov/Hous_BOH_MCC.asp

"MCC" page



MCC Documents

- Submission vouchers
- Mortgagor & Seller's Affidavits
- Recapture notices (not refundable)
- Tax returns
- ~~Uniform Rider~~

http://housing.mt.gov/Hous_BOH_MCC.asp

"MCC"
page

Similarities and differences - how to know??!!! MBOH Program matrix

<http://housing.mt.gov/includes/boh/singlefamily/programcomparison.pdf>

MHN checklists and matrix

<http://nwmt.org/MHNlenderInfo.htm>

Foreclosure Prevention

NeighborWorks Montana

1-866-587-2244

Foreclosure prevention counseling

www.nwmt.org/keepingyourhome.htm

24/7 Foreclosure Hotline

1-888-995-HOPE (4673)

Assumptions

- ❖ Purchaser “steps into the shoes” of original borrower
- ❖ Federal requirements
- ❖ Credit Review
- ❖ Rate
- ❖ Term
- ❖ Recapture period



"Docs" page

Short sales

Payoff \$84,259

Sales price \$74,000

Closing costs

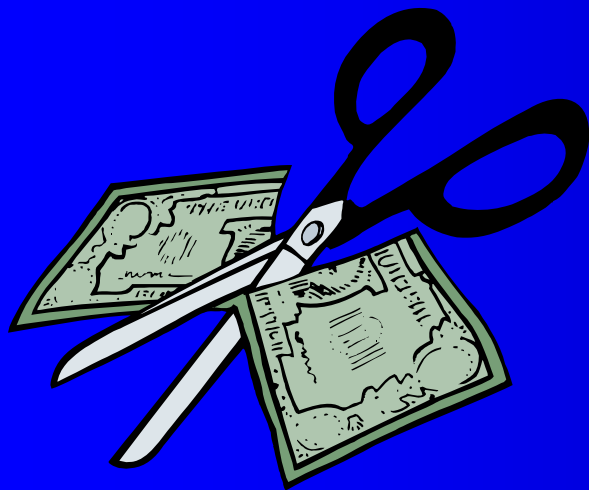
Realty fee \$4,440

Title ins & closing \$445

RE taxes \$556

Total reduction \$5,441

Shortage \$15,700



Web links

Housing Act of 1975:

<http://data.opi.mt.gov/bills/mca/90/6/90-6-101.htm>

“Documents & Other Info” page

http://housing.mt.gov/Hous_BOH_SF_Apps.asp

Purchase and Servicing Guide

<http://housing.mt.gov/Includes/BOH/Singlefamily/purchaseguide.pdf>

Income Determination Guide

<http://housing.mt.gov/Includes/BOH/Singlefamily/IncomeDeterDef.pdf>

Rates page

http://housing.mt.gov/Hous_BOH_SF.asp

Web links

Email updates

http://housing.mt.gov/Hous_Newsletter_Subscription.asp

Mortgage Credit Certificates

http://housing.mt.gov/Hous_BOH_MCC.asp

Special Program Documents

http://housing.mt.gov/Hous_BOH_SF_Apps_specdocs.asp

RAM Program

http://housing.mt.gov/Hous_BOH_Ed.asp

NeighborWorks Montana

<http://nwmt.org>

Home Ownership Team

Charlie Brown	841-2850	<u>Chbrown@mt.gov</u>
Julie Hope	841-2853	<u>Jhope@mt.gov</u>
Brandon Whitaker	841-2847	<u>bwhitaker@mt.gov</u>
Jeannene Maas	841-2851	<u>Jmaas@mt.gov</u>
Nancy Leifer	841-2849	<u>Nleifer@mt.gov</u>
Doug Jensen	841-2854	<u>dojensen@mt.gov</u>
FAX 841-2841		
<u>www.housing.mt.gov</u>		